

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04

SIL-01 OMB-01 DODE-00 PM-04 H-02 L-03 NSC-05 PA-01

PRS-01 SS-15 NSCE-00 SSO-00 USIE-00 INRE-00 SCA-01

VO-03 STR-04 CEA-01 DHA-02 SAB-01 SAM-01 EUR-12 EA-07

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O 292200Z FEB 76

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC NIACT IMMEDIATE 3876

DEPT TREASURY NIACT IMMEDIATE

C O N F I D E N T I A L SECTION 1 OF 2 JIDDA 1511

E.O. 11652: GDS

TAGS: OVIP (SIMON, WILLIAM)

SUBJECT: BOYCOTT/VISA: SECRETARY SIMON'S AUDIENCE WITH KING
AND COMMENTS BY MINISTER OF COMMERCE SOLAIM

BEGIN SUMMARY: TREASURY SECTETARY SIMON, CHARGE' HORAN AND
PARTY MET FOR ONE HOUR WITH KING KHALID ON FEBRUARY 28.
KING ACCOMPANIED BY DEFENSE MINISTER SULTAN AND OTHERS. SIMON
ASSURED KING HE HOPED TO FOLLOW UP ON PROGRESS OF JOINT
ECONOMIC COMMISSIONS. KING KHALID STATED HE WELCOMED U.S.
CONTRIBUTION TO SAUDI ECONOMIC PROGRESS AND CALLED FOR FAST
RESULTS. SECRETARY SIMON SAID ONE OF OBSTACLES CONFRONTING
U.S. GOVERNMENT IS PROMOTING DEVELOPMENT RELATIONS WITH SAG
WAS WIDESPREAD MISUNDERSTANDING IN U.S.OF SAUDI BOYCOTT
AND VISA POLICIES. KING KHALID REPLIED THAT KINGDOM'S
ATTITUDE TOWARD ENTRY OF FOREIGNERS WAS POLITICAL AND THAT
JEWS WERE NOT EXCLUDED PER SE. KING SAID IT WAS NOT FAIR
OF U.S. TO COMPLAIN ABOUT ALLEGED DISCRIMINATORY TREATMENT
OF JEWS WHEN SAG, FOR SAKE OF FREE WORLD AND SAUDI ARABIA'S
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ISLAMIC PRINCIPLES, REFUSE TO DEAL WITH COMMUNIST NATIONS.

ROYAL COUNSELOR PHARAON RAISED QUESTION OF BOYCOTT AND NOTED U.S. FIRMS HAD DEALT COMFORTABLY WITH MIDDLE EAST DURING ITS 30 YEAR HISTORY. HE ASKED WHY SO MUCH ATTENTION BEING GIVEN TO BOYCOTT NOW? SECRETARY SIMON REVIEWED CONFLICT BETWEEN U.S. LAWS AND ARAB BOYCOTT, ESPECIALLY ASPECT OF SECONDARY BOYCOTT. KING KHALID SAID HE EXPECTED THE ISSUES TO BE TAKEN UP DURING SECRETARY'S RIYADH DISCUSSIONS. AT DINNER GIVEN BY MINFIN AL-KHAIL EVENING FEBRUARY 28. COMMERCE MINISTER SOLAIM TOLD CHARGE' THAT SECRETARY SIMON IN PARTICULAR SHOULD UNDERSTAND THAT U.S. PRESSURES ON BOYCOTT AND VISAS WAS PRODUCING NEGATIVE REACTION AMONG SAUDIS. SOLAIM GAVE AS EXAMPLES PRINCE SAUD'S RECOMMENDATION THAT SIMON TRIP BE POSTPONED AND SAG APPROVAL FOR HUNGARIAN AMBASSADOR TO KUWAIT TO CONSULT WITH SAG OFFICIALS WHILE TRANSITING KINGDOM ON WAY TO QATAR. CHARGE' TOLD SOLAIM THAT SAG KNEW U.S. WELL AND IF SAG, BY PATIENCE AND SELF-CONTROL, DEMONSTRATE MORE CLEAR AND PERSUASIVE CASE FOR ITS VISA POLICY, BEST INTERESTS OF TWO GOVERNMENTS WOULD BE SERVED. END SUMMARY.

1. SECRETARY OF TREASURY SIMON, ACCOMPANIED BY CHARGE' HORAN, WHITE HOUSE COUNSELOR SEIDMAN AND ASSISTANT SECRETARY OF TREASURY PARSKY, MET FOR ONE HOUR WITH KING KHALID AFTERNOON OF FEB 28. MEETING ATTENDED ON SAUDI SIDE BY PRINCE SA'D BIN ABDUL AZIZ (KING'S OLDEST BROTHER)' MINDEFENSE PRINCE SULTAN BIN ABDUL AZIZ, ROYAL COUNSELOR RASHID PHARAON, AND FORMER AMBASSADOR TO WASHINGTON IBRAHIM SOWAYEL.

2. AFTER AMENITIES, SECRETARY SIMON BEGAN BY ASSURING KING THAT HE HOPED ON THIS TRIP TO FOLLOW UP WITH HIS MAJESTY'S MINISTERS THE ENCOURAGING PROGRESS OF THE JOINT ECONOMIC COMMISSION. HE SPECIFICALLY MENTIONED THE ELECTRICAL EQUIPMENT THAT WAS BEING DELIVERED AS PARTY OF THE USG'S ASSISTANCE TO SAUDI ARABIA'S 25-YEAR ELECTRIFICATION PROGRAM. HE SAID HE INTENDED TO IDENTIFY AND RESOLVE ANY PROBLEMS THAT MIGHT DESERVE THE ATTENTION OF HIS MAJESTY'S GOVERNMENT.

3. KING KHALID REPLIED HE WELCOMED CONTRIBUTION THAT THE UNITED STATES COULD MAKE TO SAUDI ARABIA'S DEVELOPMENT.

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MENT. ECONOMIC RELATIONS BETWEEN THE TWO SIDES WERE GOOD AND OF LONG STANDING. SAUDI ARABIA, HOWEVER, HAD SUDDENLY BECOME A FINANCIALLY WEALTHY COUNTRY AND PEOPLE WERE LOOKING TO THE GOVERNMENT TO PRODUCE RESULTS FAST. HE THEREFORE URGED THAT MAXIMUM PROGRESS BE ACHIEVED AT THE FASTEST POSSIBLE PACE. IF THERE WERE PROBLEMS TO BE RESOLVED, THIS SHOULD BE DONE RAPIDLY ALSO SO THAT THE TWO SIDES COULD MOVE FORWARD TOGETHER AND NOT PROCEED ON AN

ERRONEOUS PATH.

4. SECRETARY SIMON SAID ONE OF THE PROBLEMS THE UNITED STATES FACED IN EFFECTIVELY PROMOTING US DEVELOPMENT RELATIONS WITH SAUDI ARABIA WAS THE WIDESPREAD LACK OF COMPREHENSION IN THE U.S. ABOUT SAUDI ARABIA'S VISA AND BOYCOTT POLICIES. IT WAS NOT GENERALLY UNDERSTOOD, FOR INSTANCE, THE SAG'S VISA POLICIES DID NOT AIM AT DISCRIMINATION AGAINST PEOPLE ON GROUNDS OF RACE, RELIGION OR NATIONAL ORIGIN. OUR OWN SOCIETY WAS STILL STRUGGLING TO RID ITSELF OF SUCH DISCRIMINATION. KING KHALID SAID YES, HE REMEMBERED FROM VISITS TO THE U.S. IN THE 1940'S, HOW EVIDENT HAD BEEN AMERICAN PREJUDICE AGAINST JEWS. SECRETARY SIMON WENT ON TO SAY THAT BECAUSE OF OUR OWN SENSITIVITY TO DISCRIMINATION, THE WIDESPREAD MISAPPREHENSIONS IN THE UNITED STATES ABOUT THE KINGDOM'S VISA POLICIES COULD BE A TROUBLING OR COMPLICATING FACTOR IN OUR ECONOMIC AND GOVERNMENT RELATIONS.

5. KING KHALID REPLIED AT LENGTH, AND MOST OF HIS ADVISORS AT ONE TIME OR THE OTHER CHIMED IN. HE SAID THE BASES OF THE KINGDOM'S ATTITUDE TOWARD THE ENTRY OF FOREIGNERS, INCLUDING JEWS, WERE POLITICAL. ISLAM WAS A TOLERANT, CIVILIZING RELIGION AND SAUDI BLACKS WHO VISITED THE

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

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FM AMEMBASSY JIDDA

TO SECSTATE WASHDC NIACT IMMEDIATE 3877
DEPT TREASURY NIACT IMMEDIATE

C O N F I D E N T I A L SECTION 2 OF 2 JIDDA 1511

U.K. AND THE U.S. SOMETIMES DISCOVERED THEIR HOME SOCIETY WAS MORE TOLERANT THAN THOSE ABROAD. THE KINGDOM DID NOT EXCLUDE JEWS PER SE. IT ADMITTED THOSE OF MODERATE VIEWS. THE KING CITED AS RECENT EXAMPLES OF THIS POLICY VISITS BY MR. BINYAMIN, AND THE WRITER, ALFRED LILLENTHAL.

6. THE KING SAID IT WAS NOT FAIR OF THE U.S. TO COMPLAIN ABOUT ALLEGED DISCRININATORY TREATMENT OF A FEW JEWS WHEN, FOR THE SAKE OF THE FREE WORLD AND SAUDI ARABIA'S ISLAMIC PRINCIPLES, THE SAG REFUSED TO HAVE ANY RELATIONS WITH THE NUMEROUS AND POWERFUL COUNTRIES OF THE COMMUNIST BLOC. THE SAG GOT NO CREDIT FOR THIS STANCE FROM ITS FRIENDS BUT LOTS OF CRITICISM FROM OTHER COUNTRIES. THE KING URGED THE U.S. AND THE WEST IN GENERAL TO GIVE MORE THOUGHT TO THE SUFFERINGS OF TWO MILLION PALESTINIANS THAT HAD BEEN DRIVEN BY ZIONISTS FROM THEIR HOMELAND. IF THE U.S. DID SO, IT COULD UNDERSTAND WHY SAUDI ARABIA
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REFUSED TO ALLOW ANY JEWISH ZIONISTS INTO THE COUNTY. AMBASSADOR SOWAYEL SAID KING KHALID WAS EXACTLY RIGHT. THERE WERE EVEN SOME JEWS OF ARABIC ORIGIN WHO WERE NOT ALLOWED INTO THE KINGDOM. MINISTER OF DEFENSE SULTAN SAID AMBASSADOR SOWAYEL WAS WRONG: THE KINGDOM WAS ONLY CONCERNED ABOUT JEWS' POLITICAL BELIEFS, NOT RELIGIOUS ONES. KING KHALID SAID CONVERSATION WAS DRIFTING AWAY FROM MINISTER ABA KHAIL'S AREAS OF INTEREST AND COMPETENCE.

7. ROYAL COUNSELOR RASHID PHARAON THEN RAISED THE QUESTION OF BOYCOTT. HE SAID THE BOYCOTT WAS FOLLOWED BY ALL ARAB STATES AND THAT ITS HISTORY WENT BACK MORE THAN 30 YEARS. FOR ALL THIS TIME THE U.S. PRIVATE SECTOR HAD BEEN DEALING COMFORTABLY WITH THE MIDDLE EAST. PHARAON ASKED WHY WAS SO MUCH ATTENTION BEING GIVEN TO THE BOYCOTT NOW? SECRETARY SIMON EXPLAINED THE CONFLICT BETWEEN THE U.S. LAW AND THE BOYCOTT REGULATIONS, ESPECIALLY WITH REGARD TO THE REQUIREMENT THAT U.S. FIRMS ENFORCE A SECONDARY BOYCOTT AGAINST OTHER AMERICAN FIRMS.

8. KING KHALID EXPLAINED HE EXPECTED THESE ISSUES WOULD BE TAKEN UP DURING THE SECRETARY'S DISCUSSIONS

IN RIYADH. HE WISHED HIM WELL, AND REITERATED HIS HOPE THE U.S.-SAUDI ECONOMIC RELATIONS WOULD CONTINUE TO PROSPER. HE REPEATED ALSO HIS HOPE THAT THE USG'S BEST EFFORTS TOWARD RAPID PROGRESS COULD BE ACHIEVED. HE QUOTED A SAUDI PROVERB TO THE EFFECT, "GRANT ME WEALTH, OH LORD, AND DO IT FAST." SECRETARY SIMON REAFFIRMED HIS INTENTION TO DO HIS BEST TO PROMOTE GOOD ECONOMIC RELATIONS BETWEEN THE TWO COUNTRIES.

9. COMMENT: KING KHALID LOOKED HEALTHY AND RELAXED. HE SPOKE WITH SELF-CONFIDENCE, GOOD NATURE AND HUMOR. IN CONTRAST TO KING FAISAL'S HIGHLY CENTRALIZED AUDIENCES, KING KHALID'S RAN LIKE A RELAXED STAFF MEETING, ALTHOUGH THE KING REMAINED ON TOP OF THE DIS-

CUSSION AT ALL TIMES. KING KHALID'S REFERENCE TO VISA QUESTION FALLING OUTSIDE OF MINISTER ABA AL-KHAYL'S CONFIDENTIAL

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SPHERE OF INTERESTS MAY HAVE BEEN A WAY OF UNDERLINING THE POLITICAL NATURE OF SAUDI VISA POLICY.

10. COMMENTS BY MINISTER OF COMMERCE SOLAIM: THAT EVENING DURING DINNER GIVEN BY MINISTER OF FINANCE ABA KHAIL IN HONOR OF SECRETARY SIMON, MINISTER OF COMMERCE SOLAIM SAID HE UNDERSTOOD HM AND SECRETARY HAD HAD A GOOD EXCHANGE. HE ADDED THAT SECRETARY SHOULD IN PARTICULAR UNDERSTAND THAT U.S. PRESSURES ON BOYCOTT AND VISA WAS PRODUCING A NEGATIVE REACTION AMONG SAUDIS. AS EXAMPLES HE SAID (A) PRINCE SAUD HAD RECOMMENDED POSTPONING SECRETARY SIMON'S VISIT, ON GROUNDS THAT IT WAS NO TIME TO DISCUSS ECONOMIC COOPERATION WHEN U.S. WAS MOVING AGGRESSIVELY AGAINST SAUDI ARABIA. PRINCE SAUD SAID SAG SHOULD "SEND THE U.S. A MESSAGE"; (B) THE HUNGARIAN AMBASSADOR IN KUWAIT HAD ASKED THE SAG FOR PERMISSION TO TRANSIT SAUDI ARABIAN TERRITORY ON WAY TO QATAR AND TO HOLD DISCUSSIONS WITH SAUDI OFFICIALS WHILE IN THE KINGDOM. THIS PERMISSION HAD BEEN GRANTED. SOLAIM BELIEVED THIS WAS THE FIRST VISIT TO THE KINGDOM BY A COMMUNIST OFFICIAL SINCE WORLD WAR II; (C) IT WAS NOW LEGAL DIRECTLY TO MAKE OUT LETTERS OF CREDIT TO CHINESE COMMUNIST SUPPLIERS AND TO IMPORT GOODS DIRECT FROM COMMUNIST CHINA. SOLAIM SAID THE UNITED STATES SHOULD NOTE THESE MOVES AS THERE MIGHT BE MORE LIKE THEM IF THE U.S. DID NOT LET UP ON ITS PRESSURE.

11. THE CHARGE' REPEATED THAT THE SAG KNEW THE U.S. WELL AND THIS WAS NO TIME TO RESPOND UNTHINKINGLY TO DIFFICULTIES WITH US. IF THE SAG DEMONSTRATED

PATIENCE, PRUDENCE AND SELF-CONTROL, AND IF IT MADE A MORE CLEAR PERSUASIVE CASE FOR ITS VISA POLICY, IT WOULD BE SERVING ITS OWN AND USG'S BEST INTERESTS. A HARSH REACTION ON THE OTHER HAND WOULD GRATIFY CRITICISM OF U.S.-SAUDI FRIENDSHIP.

12. SOLAIM SAID HE BELIEVED AT LEAST THAT U.S. VISITORS WOULD GET A FRANK AND TRUE PICTURE OF SAUDI VIEWS FROM MINISTERS SUCH AS HIMSELF, MINISTER OF INDUSTRY AL GOSAIBI, AND SOME OF THE YOUNGER, U.S.-EDUCATED MINISTERS. CONFIDENTIAL

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SOME OF THE OLDER ONES, HE SAID, WERE TOO POLITE AND SPOKE TOO ALLUSIVELY FOR AMERICANS TO GET THE DRIFT OF WHAT THEY MEANT.

NOTE. MESSAGE NOT YET CLEARED BY SECRETARY SIMON'S PARTY. OTHER MESSAGES ON VISIT WILL FOLLOW. HORAN

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